



United States
Department of
Agriculture

Agriculture
Stabilization and
Conservation Service

Kansas City Commodity Office
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NOTICE TO THE TRADE

VESSEL LOADING OBSERVATIONS

The Commodity Credit Corporation (CCC) will implement a vessel loading observation procedure, commencing August 1, 1994, for all processed commodities packed in multiwall paper bags for use under foreign food assistance programs administered by the Agency for International Development and CCC.

Under this procedure, the Federal Grain Inspection Service (FGIS) will perform the vessel loading observations on behalf of CCC. FGIS will document the occurrence of damaged bags/commodities loaded on vessels for the purpose of establishing accountability. Expected benefits of such observations include:

- (1) minimizing the amount of damaged bags/commodities loaded on vessels, and
- (2) enhancing the perception of U.S. agricultural commodities overseas and the integrity of foreign food assistance programs.

STEAMSHIP LINE RESPONSIBILITIES

The steamship line must arrange to have FGIS perform continuous, from start to finish, vessel loading observations for all processed commodities packed in multiwall paper bags. These commodities include:

Cornmeal	Corn-Soya Blend
Soy-Fortified Cornmeal	Corn-Soya-Milk
Instant Corn-Soya-Milk	Wheat-Soy Blend
Instant Corn-Soya Masa Flour	Wheat-Soy Milk
Soy-Fortified Sorghum Grits	Powdered Milk

The steamship line must provide as much assistance as necessary to expedite the vessel loading observations and should take such corrective actions as necessary to rectify any noted deficiencies. Steamship lines must designate, and make readily available to the FGIS inspector, an individual(s) at the loading location to ensure that the steamship line is made aware of, and able to address, any deficiencies or detrimental loading conditions noted by the FGIS Inspector during vessel loading.

Failure of the steamship line to correct deficiencies will be noted by the FGIS Inspector on the vessel loading observation Commodity Inspection Certificate. Such deficiencies will include but are not limited to:

- (1) Damaged bags/commodities loaded and not removed from the vessel. Bags with all layers punctured and the contents leaking or exposed are considered to be damaged beyond repair. Such damaged bags may not be recouped and should not be loaded. Only a “clean signed on board” ocean bill of lading is acceptable to CCC.

Bags with torn outer layers, but with inner liners intact, may be repaired by taping and loaded provided the Master of the vessel is willing to issue a “clean signed on board” ocean bill of lading. The cost of taping will not be paid by CCC.

- (2) Spilled commodity not removed from the stowage.
- (3) Bags/commodities loaded during rain or left exposed to rain before hatch covers are closed.
- (4) Debris such as wood, paper drinking cups, and food wrappers left in the stowage.
- (5) Any other detrimental or unsanitary conditions which, when pointed out to the steamship line’s designated representative(s), was not corrected in a satisfactory manner. Examples of detrimental or unsanitary conditions include bags soiled with hydraulic fluid, paint, grease, rodent excrement, and excessive dirt.

FGIS will also perform the following tasks as part of the vessel loading observation:

- (1) Conduct a daily inspection of the vessel prior to loading to ensure that the bags/commodities are in good condition and no damaged bags/commodities have been loaded.
- (2) Perform a cursory review of any USDA commodities being loaded on board the vessel that are not packaged in multiwall paper bags, and record any problems, e.g., leaking vegetable oil containers, torn textile bags, etc.
- (3) Promptly report to the steamship line’s designated representative and the Kansas Commodity Office (816/926-6045) any situation that is considered to be actionable under the Food and Drug Administration and FGIS memorandum of understanding.

- (4) Note, on the vessel loading observation Commodity Inspection Certificate, the number of damaged bags not loaded on board the vessel.

CERTIFICATION AND BILLING

It is the steamship line's responsibility to submit an application for service to the appropriate FGIS field office. FGIS will document each vessel loading observation on the Commodity Inspection Certificate. The steamship line must obtain a copy of the completed Commodity Inspection Certificate from FGIS and submit the Certificate, as part of the invoice package for payment, to verify that the vessel loading observation was performed. FGIS will bill CCC for vessel loading observations.

It should be noted that the vessel loading observation and certification by FGIS in no way absolves the carrier from the responsibility to deliver damage-free cargo to the overseas destination.

OTHER INITIATIVES

CCC, in cooperation with the Agency for International Development and private industry, continually strives to improve the efficiency of foreign food assistance programs. The vessel loading observation procedure is part of this ongoing effort. In the near future, ASCS will also implement multiwall paper bag design improvements and heightened quality control procedures at mill points in an effort to ensure that only damage-free commodities reach U.S. ports for vessel loading.

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